

Legislative Audit Division

State of Montana



Report to the Legislature

November 2000

Limited Scope Performance Audit

Facilities Management of State-Owned Buildings

**Department of Administration
Architecture and Engineering Division**

This limited scope performance audit contains information regarding facilities management of state-owned buildings, excluding the Montana University System. Facilities management includes ongoing maintenance of buildings and grounds, as well as requests and funding for projects under the Long Range Building Program. The report contains recommendations for improving maintenance of state-owned facilities including:

- < Developing policy that addresses guidelines and minimum standards for maintenance of state-owned facilities.**
- < Mandating, developing, and conducting a standardized, statewide facilities condition assessment process.**

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00P-18

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November 2000

The Legislative Audit Committee
of the Montana State Legislature:

This is our limited scope performance audit of facilities management of state-owned buildings. A state agency is responsible for maintaining facilities under its control. The Architecture and Engineering Division, Department of Administration, has primary responsibility for assisting agencies with facilities maintenance and long-range building needs.

This report provides information to the legislature regarding ongoing maintenance of state-owned buildings and the Long Range Building Program outside those in the Montana University System. Overall, we found variations in how facilities are maintained and inspected. Our report includes recommendations for improving facilities maintenance by increasing the state's knowledge of its facilities. A response from the Department of Administration is contained at the end of the report.

We wish to express our appreciation to various state agency personnel for their cooperation and assistance during the audit.

Respectfully submitted,

(Signature on File)

Scott A. Seacat
Legislative Auditor

Legislative Audit Division

Limited Scope Performance Audit

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**Department of Administration
Architecture and Engineering Division**

Members of the audit staff involved in this audit were Anthony Patch, Kent Rice, and Mike Wingard.

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Appointed and Administrative Officials

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Tom O'Connell, Administrator, Architecture and Engineering
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Jim Whaley, Chief, Design and Construction Bureau

Appropriations-Finance and Claims, Long-Range Planning Joint Subcommittee

Representative Ernest Bergsagel, Chair (Malta)
Senator Tom Beck, Vice Chair (Deer Lodge)
Senator J.D. Lynch (Butte)
Representative Matt McCann (Harlem)
Senator Chuck Swysgood (Dillon)
Representative Tom Zook (Miles City)

Introduction

A limited scope audit of agency facilities management activities and their relation to the Long Range Building Program (LRBP) was initiated as a result of the performance audit conducted by the Legislative Audit Division of University Facilities Management (00P-03). The scope of the University Facilities Management audit included examination of how university units identify and address building maintenance needs. To appropriately evaluate the university system's methodologies, it was necessary to gain a perspective of how other state agencies identify and address maintenance needs and develop LRBP requests.

Facilities Maintenance

As with any building, certain maintenance activities are required to keep the building in usable condition. These include everything from janitorial services to repair/replacement of mechanical systems such as HVAC (heating, ventilation, and air conditioning) systems, to major renovation/alteration of facilities, to new construction.

Funding for Maintenance

The costs associated with maintenance of state-owned buildings are the responsibility of the agency and/or program in charge of operations conducted at each facility. An agency normally obtains funding levels for maintenance through the Executive Planning Process (EPP). The EPP is the standard budget establishment process. Proposed budgets are submitted to the Governor's Office, then to the legislature for appropriation. Maintenance items are normally budgeted under operating expenses.

Long Range Building Program (LRBP)

The LRBP was established to provide a single, comprehensive, and prioritized plan for allocating resources to build and maintain state buildings. The LRBP is funded through a combination of cash and bond revenues. Cash is derived from portions of the cigarette tax, coal severance tax, and interest income. Bond proceeds are derived from issuance of general obligation bonds. In addition, agencies use various other types of revenues to fund capital improvements including state and federal special revenue funds and other funds such as private donations.

Report Summary

How Do State Agencies Maintain Facilities?

Our first specific objective was to find out how state agencies identify and address facilities maintenance needs. We noted variances in the formality and type of maintenance activities among the state agencies we reviewed. There are variations in work order systems, formality of preventive maintenance schedules, frequency of inspections, use of technology, etc. While most agencies we reviewed conduct varying amounts of preventive maintenance activities, there is no consistency from one agency to another, or from one facility to another. Preventive maintenance preserves property assets and helps ensure facilities support a program's mission in the most cost-effective way possible. In order to accomplish this, state agencies need some guidelines and minimum standards for facilities maintenance. We recommend the Department of Administration, in conjunction with state agency facilities managers and maintenance personnel, develop policy that addresses this need for state-owned facilities.

Do Agencies Formally Evaluate Facility Conditions?

We wanted to determine if state agencies use a formal method of assessing the condition of facilities to identify building deficiencies. While maintenance personnel and facilities managers appear to be aware of the condition of facilities, the process for identifying deferred maintenance or building deficiencies varies between facilities and agencies. Not all agencies use a facilities inventory process to assess building conditions. Those who are using an inventory process primarily use it to help develop LRBP requests. However, this data gets minimal use by Architecture and Engineering (A&E) Division personnel in determining statewide priorities.

Use of a standardized assessment methodology has been suggested but not mandated by the legislature. While the Board of Regents adopted the Facilities Condition Inventory methodology for evaluating the condition of buildings in the Montana University System, implementation of this methodology has not occurred statewide. In addition, the A&E Division has not required facilities condition data as part of the LRBP process. We recommend the legislature mandate a standardized, statewide facilities condition

assessment process, and the Department of Administration develop and conduct the program.

What LRBP Actions Have Occurred Over the Past Decade?

Another audit objective was to compile information on the LRBP over the past decade to help assess maintenance needs and trends. The LRBP process has not changed significantly since its creation in 1963. Agency use of the LRBP varies including the types of requests made for capital improvements. In the past decade, requests for funding have always exceeded appropriations. Maintenance needs are usually addressed with funding from the cash portion of the LRBP, which is generated from revenues from a portion of the cigarette tax. The cigarette tax revenue stream is declining, including decreases in the percentage allocated to the LRBP.

Facilities Maintenance Suffers Due to Various Factors

A recent United States General Accounting Office report on the federal government's facilities maintenance program noted funding limitations, inadequate program data, and lack of a strategic approach as factors that impede the government's ability to address its maintenance needs. These same factors appear to impact Montana's maintenance of state-owned buildings. Buildings and components deteriorate and need repair and replacement; this is unavoidable. As a result, money is needed to maintain state-owned facilities.

The University Facilities Management performance audit addressed the issue of funding for deferred maintenance. Specifically, the report recommends the legislature examine the LRBP and establish an increased and consistent funding source to address deferred maintenance liabilities. Changes to the LRBP would impact all state agencies, not just the Montana University System. State agencies experience issues similar to those identified in the University System audit. Thus, if the legislature implements the recommendations in the University System audit, any changes in LRBP funding sources or uses will help control deferred maintenance liabilities for all state-owned buildings.

Chapter I - Introduction

Introduction

A limited scope audit of agency facilities management activities and the role of the Long Range Building Program (LRBP) was initiated as a result of the performance audit conducted by the Legislative Audit Division (LAD) of University Facilities Management (Physical Plants) (00P-03). The scope of the University Facilities Management audit included examination of how university units identify and address building maintenance needs. To appropriately evaluate the university system's methodologies, it was necessary to gain a perspective of how other state agencies identify and address maintenance needs and develop LRBP requests. This report presents the findings of our review.

Audit Objectives

To accomplish our limited scope audit, we developed the following objectives:

1. Determine how state agencies identify and address facilities maintenance needs.
2. Determine if a deferred maintenance identification methodology is part of the maintenance process used by state agencies.
3. Identify LRBP actions over the past decade.
4. Compare state agency maintenance activities.

Audit Scope and Methodologies

To address our objectives, we gained an understanding of state facilities maintenance activities. We reviewed laws and rules related to maintenance and construction of buildings, as well as the LRBP. Information on facilities management was obtained and reviewed, including information from the Association of Higher Education Facilities Officers, known as the APPA. We reviewed an audit report of the LRBP issued by LAD in 1984. A United States General Accounting Office report (GAO/GGD-00-98, March 2000) on the condition of federally owned buildings was also reviewed.

We reviewed historical data on agency expenditures for operations and maintenance. We also gathered and reviewed applicable information related to tax and other revenue collections.

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We interviewed representatives from the Architecture and Engineering (A&E) Division, Department of Administration, and obtained information on division operations. We met with representatives from several agencies to discuss ongoing facilities maintenance and the LRBP. We did not include all state agencies in our audit. We selected agencies with ongoing LRBP activity (requests in two or more legislative sessions). Departments selected for review included the following:

- < Administration (General Services Division)
- < Transportation (MDT)
- < Corrections
- < Military Affairs
- < Fish, Wildlife and Parks (FWP)
- < Justice (Law Enforcement Academy)
- < Public Health and Human Services
- < State Board of Public Education (School for the Deaf and Blind)

For the 2000-01 biennium, these agencies made up almost 31 percent of the total LRBP requests. The Montana University System requests for this same period were almost 69 percent.

We also met with personnel from the Office of Budget and Program Planning to discuss ongoing facilities maintenance funding and the LRBP process.

We visited a sample of facilities to discuss our audit with facilities maintenance personnel. We obtained maintenance schedules, maintenance checklists, monitoring reports, and other maintenance-related information to use for comparison. A tour of the facilities was arranged at some sites. The following sites were visited:

- < Montana State Prison (Deer Lodge)
- < Montana State Hospital (Warm Springs)
- < MDT District Office (Butte)
- < MDT District Office (Kalispell)
- < School for the Deaf and Blind (Great Falls)
- < FWP Region 4 Headquarters (Great Falls)

- < Montana Developmental Center (Boulder)
- < Eastmont Human Services Center (Glendive)
- < Eastern Montana Veterans' Home (Glendive)
- < Law Enforcement Academy (Helena)

We reviewed LRBP requests and appropriations for the last 10 years. Our time frame included fiscal year 1990-91 through fiscal year 1999-00. We compiled spreadsheets of project requests, A&E Division recommendations, and appropriations received for each agency. An overall summary was developed from individual agency spreadsheets.

Our audit scope did not include a detailed analysis of compliance with laws and rules.

Potential Issue for Further Study

During the course of this audit, we identified an issue that has potential for further study. The following section discusses the issue and potential concerns.

Supervision and Inspection of Construction of Buildings

The Department of Administration is responsible for supervision of construction of state-owned buildings. The department has assigned this responsibility to the A&E Division. According to section 18-2-103(1)(e), MCA, the department has responsibility for accepting a building when completed according to accepted plans and specifications. Section 18-2-105(7), MCA, provides the department authority to appoint a representative to supervise architects' and consulting engineers' inspection of construction of buildings to ensure all construction is done in accordance with contracts, plans, and specifications.

According to A&E Division data, the division had over 200 active construction projects as of July 1, 2000. A&E Division personnel indicate the department administers some of these contracts in-house, but currently contracts with the private sector to administer the majority of construction contracts with division oversight. Variations in complexity of projects, location throughout the state, and available manpower determines when construction projects are monitored and inspected and who does the inspections. Several

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agency maintenance personnel we talked to question whether the A&E Division has the resources to monitor all projects adequately. These personnel believe plans and specifications may not always be met. A future study could review the division's procedures and ability to ensure compliance with contract plans and specifications.

Report Organization

The remainder of this report is separated into two chapters. Chapter II provides general background information on facilities maintenance and the LRBP. Chapter III outlines our findings and presents recommendations regarding management of state facilities.

Chapter II - Background

Introduction

Various agencies and entities are responsible for facilities management. For example, the General Services Division (GSD), Department of Administration (DofA), is responsible for operations and maintenance of all state facilities within a 10-mile radius of the Capitol. According to its mission statement, the Architecture and Engineering (A&E) Division, DofA, is responsible for assisting all state agencies with design and construction of new facilities, repair and maintenance of existing facilities, and planning for system needs.

According to DofA data, the state owns almost 19 million square feet of various types of facilities throughout Montana. This includes almost 12 million square feet within the Montana University System. Maintenance of facilities is typically the responsibility of the building occupant. As such, the state agency occupying the building is responsible for maintenance, with the exception of buildings within the Capitol Complex. The following sections provide information on statutory requirements, how maintenance of state facilities is conducted, and the Long Range Building Program (LRBP).

Statutory Requirements

Section 2-17-801, MCA, is cited as the Capitol Complex Master Plan Act. This act covers the Capitol building and all state buildings within a 10-mile radius of the Capitol. DofA is custodian of all state property within this area, and is responsible for supervising and directing the work of caring for and maintaining buildings and equipment. The department has assigned this responsibility to GSD. A state agency may not alter, improve, repair, or remodel a state building in the Capitol area without department approval.

In some instances, the department has delegated authority for building maintenance. For example, the Department of Transportation's main building and shop, the Department of Justice's Law Enforcement Academy, the Commissioner of Higher Education's building, the Board of Investment's building, and the Department of Military Affairs all fall into the 10-mile radius. However, these facilities are the responsibility of personnel within the respective agencies, not GSD. According to section

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2-17-811(4), MCA, the Department of Fish, Wildlife and Parks is responsible for maintaining or approving grounds maintenance in the Capitol area.

LRBP authority is contained in Title 17, chapter 7, part 2, MCA. This program was enacted in 1963 to provide funding for construction, alteration, repair, and maintenance of state-owned buildings and grounds. Each state agency and institution submits requests for LRBP funding to the A&E Division prior to each regular legislative session. A&E Division personnel develop a prioritized list of projects which is presented to the legislature as part of the Governor's budget. Funding for the program comes from the following:

- < 15.85 percent of the cigarette tax (16-11-119(3), MCA).
- < 12.00 percent of the coal severance tax (15-35-108(2), MCA).
- < Interest earnings, project carryover, fees, miscellaneous revenue (17-7-205(4), MCA).

The LRBP also receives funds through issuance of bonds. This authority is contained in Title 17, chapter 5, part 4, MCA.

There are no specific statutes and/or administrative rules related to general, ongoing maintenance of state buildings. However, section 17-7-206, MCA, provides a mechanism for the legislature to include an amount for maintenance as part of a major capital project appropriation. According to this statute, the legislature may allocate up to 2 percent of the appropriated cost of construction of a new building for maintenance. The legislature has not allocated any funding for maintenance under this statute.

Facilities Maintenance

As with any building, certain maintenance activities are required to keep the building in usable condition. There are various types of activities required for facilities maintenance. These include everything from janitorial services to repair/replacement of mechanical systems such as HVAC (heating, ventilation, and air conditioning) systems, to major renovation/alteration of facilities, to

Chapter II - Background

new construction. The A&E Division has defined terms related to facilities maintenance including the following:

- < Capital Project – acquisition of land and buildings or improvements and additions to these, construction and initial equipment, reconstruction, significant demolition, major alteration of any capital asset and major maintenance projects.
- < Major Maintenance – building maintenance or repair projects not needed on an annual or biennial basis or not the function of the agency maintenance staff.
- < Preventive Maintenance – normal upkeep or repairs to keep fixed assets and their attached fixtures, such as building improvements, in their present condition or state of usefulness, to prevent deterioration, or to restore them to their previous condition.

In addition to the above maintenance activities, facilities maintenance personnel are involved with daily or regular maintenance. This includes day-to-day activities to keep facilities operating such as minor repairs and grounds keeping.

Funding for Maintenance

The costs associated with maintenance of state-owned buildings are the responsibility of the agency and/or program in charge of operations conducted at each facility. An agency normally obtains funding levels for maintenance through the Executive Planning Process (EPP). The EPP is the standard budget establishment process. Proposed budgets are submitted to the Governor's Office, then to the legislature for final approval. Maintenance items are normally budgeted under operating expenses.

Funding for these activities comes out of individual facility budgets. There is typically a mix of funding sources for general maintenance. Some agencies use General Fund money, some agencies use state and/or federal special revenue funds, while some agencies use a combination of several of these funds. To illustrate the differences, the Department of Fish, Wildlife and Parks uses state special revenue generated from license sales and other sources. The Department of Transportation's funding source is state special

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revenue generated from the gas tax. GSD's maintenance funding is generated by a square footage rental rate assessed to all agencies within the Capitol Complex. According to all the agencies we contacted, costs for maintenance are estimated using historical budget data. No one uses any form of standard budget allocation for maintenance such as a percentage of building replacement cost. The following table provides a statewide breakdown of expenditures for building-related repair and maintenance for fiscal years 1999 and 2000. Expenditures in Table 1 were funded by agency operating budgets and include the Montana University System.

Table 1
Repair and Maintenance Expenditures for
All State-Owned Buildings *
(FY 1999 and 2000)

| <u>Category</u> | ----- Fiscal Year ----- | |
|---|-------------------------|----------------|
| | <u>1999</u> | <u>2000</u> |
| Buildings & Grounds | \$15,422,127 | \$16,014,878 |
| Shop Plant Industrial Equipment | 738,242 | 594,179 |
| Rest Areas | 5,515 | 148 |
| Paint - Buildings | 98,503 | 67,822 |
| Sign Materials ¹ | 2,161,286 | 1,150,721 |
| Maintenance Contracts ² | 6,013,006 | 4,750,315 |
| Property Management Expenses ³ | 153,066 | 160,141 |
| Capitol Complex Grounds - FWP | <u>298,568</u> | <u>286,841</u> |
| TOTAL | \$24,890,313 | \$23,025,045 |

¹ mainly DOT and FWP

² includes equipment and vehicles

³ mainly DLI

* general accounting information - specific details and relation to facilities unknown

**Source: Compiled by the Legislative Audit Division
from SBAS and SABHRS records.**

According to the A&E Division, maintenance items, such as painting or roof repairs, should be addressed in agency operating

budgets. Agency budgets do not identify specific maintenance projects. In recent years similar projects, like roof repair/replacement, have been combined into statewide, multi-agency LRBP requests. Funding for these combined major maintenance items is requested through the LRBP rather than individual agency's regular repair and maintenance budgets.

Long Range Building Program (LRBP)

The LRBP was introduced to provide a single, comprehensive, and prioritized plan for allocating resources to build and maintain state buildings. The LRBP is funded through a combination of cash and bond revenues. Cash is derived from portions of the cigarette tax and coal severance tax revenues and interest income. Bond proceeds are derived from issuance of general obligation bonds. In addition, agencies use various other types of revenues to fund capital improvements including state and federal special revenue funds and other funds such as private donations.

To be considered for funding, an agency must submit a building request to the A&E Division by July 1 of each even-numbered year. To make sure each proposal receives proper attention, DofA set deadlines for proposal submissions. For the 2002-03 biennium, the deadlines for LRBP submissions were as follows:

- < **February 15, 2000:** A brief description, location, and estimate of the cost of projects exceeding \$200,000 must be submitted to the A&E Division.
- < **June 30, 2000:** LRBP requests must be entered into the MBARS system.
- < **October 2, 2000:** A&E Division distributes project status reports to each agency.
- < **October 20, 2000:** Agencies must return project status reports to the A&E Division with corrections or additions.

A&E Division staff compile the requests and any additional information a state agency submits, review each, and develop a list of prioritized recommendations for the Governor's Office. A&E Division staff review each proposal on the basis of justification,

Chapter II - Background

program impact, costs, and relationship to any overall long-range strategic and site plans.

Because there is only a limited amount of LRBP money, the review focuses on two goals. A&E Division personnel make sure proposals are fully developed and also balance the needs and requests of each agency with the needs and requests of all other agencies. After reviewing proposals, A&E Division staff develop a statewide priority list. This priority listing is sent to the Governor for consideration and subsequent inclusion in the budget for the next biennium. The Governor's budget, including LRBP requests, is presented to the legislature for approval. A LRBP book of all agency requests and the priority recommendations of the Executive Branch is issued prior to each regular legislative session.

The source of funding for maintenance impacts the legislative approval process. Most agencies, including the University System, compete for LRBP funding. However, agencies such as the Department of Transportation and the Department of Fish, Wildlife and Parks have dedicated funding sources, other than the LRBP, for addressing maintenance needs. Special revenue-funded agencies normally receive priority recommendations for funding from the Executive Branch for all LRBP project requests. Departments like Administration, Corrections, and Public Health and Human Services must typically rely on existing budgets and the LRBP to address maintenance needs. These agencies may not receive approval for funding for all LRBP requests. As a result, the ability to conduct maintenance is impacted by funding sources.

Chapter III - Maintaining State-Owned Facilities

Introduction

The overall audit objective was to obtain information regarding maintenance of state-owned facilities outside those in the University System. This chapter details our findings and recommendations for improving maintenance overall. Information on university unit facilities management operations is contained in a separate performance audit report (00P-03).

How Do State Agencies Maintain Facilities?

Our first specific objective was to find out how state agencies identify and address facilities maintenance needs. We contacted the eight agencies sampled in our review to determine who has involvement with facilities maintenance. Five of the eight agencies we contacted have a facilities manager position. The other three agencies have assigned this responsibility to a specific position with other duties. The responsibilities of facilities management positions vary, but in general they oversee maintenance for all facilities under the control of their agency. For most agencies, oversight relates more to department level activities such as major maintenance and the Long Range Building Program (LRBP). Oversight of day-to-day maintenance activities is typically the responsibility of personnel located at individual facilities.

Personnel Responsible for Maintenance Vary

In addition to oversight, each agency has various personnel responsible for regular maintenance at individual facilities and/or campuses. The number of people responsible for regular maintenance varies from facility to facility and agency to agency. Some personnel are general maintenance workers while other personnel are responsible for specific crafts such as electricians, plumbers, and carpenters. The following table provides information on maintenance-related FTE levels at various facilities/agencies included in our audit.

Chapter III - Maintaining State-Owned Facilities

Table 2
Facility FTE Levels for Regular Maintenance
(Limited to Agencies Included in our Audit)

| Facility/Campus | Number of FTE |
|--------------------------------------|----------------------|
| GSD (Capitol Complex) | 14.00 |
| DOT (Main Building) | 7.72 |
| DOT (Butte District) | 2.00 |
| Montana State Prison | 22.00 ¹ |
| Montana State Hospital | 20.00 ² |
| Montana Developmental Center | 11.00 |
| Eastmont Human Services Center | 3.00 |
| Eastern Montana Veterans' Home | 2.00 |
| FWP (Region 4 Headquarters) | unknown ³ |
| School for the Deaf and Blind | 5.25 ⁴ |
| Law Enforcement Academy | 1.50 |
| Department of Military Affairs (all) | 10.00 |

¹ plus inmate labor

² includes 6 Teamsters (not full-time maint. - percent unknown)

³ maintenance shared by personnel responsible for other duties

⁴ 1 FTE is federally funded

Source: Compiled by the Legislative Audit Division from Agency Officials.

In addition to on-staff maintenance personnel, some facilities have contracts for maintenance activities. The most common contracts include janitorial services and mechanical systems. While some facilities have on-staff janitorial personnel, the FTE levels in the table above do not include these numbers.

Scheduled and Preventive Maintenance Activities

Maintenance personnel are responsible for numerous activities. This includes any activity required to keep facilities operating. We asked personnel if they conducted any scheduled and/or preventive maintenance (PM) activities. Scheduled maintenance would include activities such as painting, carpet replacement, etc. that are completed for known life cycles. PM includes activities like

Chapter III - Maintaining State-Owned Facilities

mechanical system checks, filter changes, etc. that are completed in order to prevent breakdowns and increase the useful life of equipment and/or facilities.

We found painting, replacing carpets, etc., are done on an as-needed basis as opposed to a scheduled basis. The Montana State Hospital has a tentative painting schedule that covers a 5-year period, but it does not indicate whether this cycle will be repeated every 5 years.

PM activities are conducted at most of the facilities we reviewed. Either in-house staff or contractors handle these responsibilities. The type, amount, and frequency of PM activities vary between facilities. We were provided and/or observed PM checklists in most of the facilities visited. Some facilities have computer systems that monitor mechanical systems and track PM. Types of PM activities include visual inspections, testing, cleaning, filter replacement, etc. Frequency of activities occurs daily, weekly, monthly, quarterly, biannually, and annually.

Regular Maintenance

In addition to PM, maintenance personnel are responsible for regular maintenance. Employees, customers, maintenance personnel, and others identify these maintenance needs. Most of the facilities have developed work order systems to track maintenance requests. Some of these are electronic while others are manual. Maintenance needs are requested on forms, then the maintenance supervisor approves and assigns projects to workers and tracks items until complete.

Paying the Bills for Maintaining Buildings

The operating budgets of individual facilities provide funding for maintaining buildings. Again, depending on the source of revenues, some agencies have limited funding. Maintenance and utilities are both operating expenses, but utilities are normally paid first because most facilities cannot be used without power, gas, and phone. Maintenance needs are then addressed as budgets allow. According to some agency personnel and OBPP officials, a portion of facilities maintenance funding in operational budgets is often used to supplement other program operations. The thought process of agency personnel we interviewed is, it is easier to cut the

Chapter III - Maintaining State-Owned Facilities

maintenance budget than to cut funding that could impact a program and/or personnel.

Conclusion: Guidelines and Minimum Standards Needed for Facilities Maintenance

We noted variances in the formality and type of maintenance activities among the state agencies we reviewed. There are variations in work order systems, formality of PM schedules, frequency of inspections, use of technology, etc. While most agencies we reviewed conduct varying amounts of PM activities, there is no consistency from one agency to another, or from one facility to another. According to the Association of Higher Education Facilities Officers, known as the APPA, PM is the cornerstone of preserving property assets and ensuring facilities support a program's mission in the most cost-effective way possible. In order to ensure this, state agencies need some guidelines and minimum standards for facilities maintenance. For example, how often should roofs be inspected and what are the best procedures to follow for ensuring the longest useful life of a roof? Guidelines for other activities such as general PM of heating, ventilation, and air conditioning systems, elevators, and other critical components would also be useful to reduce maintenance variations.

The reasons for maintenance variations are numerous, including: size of facilities, customers and services provided, number of maintenance personnel, available funding, etc., but a contributing factor appears to be lack of procedures and guidance related to facilities maintenance. There are no statutes, rules, or policies on facilities maintenance. State government operations began more than 100 years ago. At that time the Capitol complex was made up of a small group of buildings. As government operations increased, the number and type of buildings, as well as the location of buildings, expanded. Today, Montana has a statewide, multi-agency conglomeration of state-owned facilities. However, there appears to have been little or no communication and coordination regarding standardization, uniformity, and minimum expectations for ensuring the appropriate upkeep of Montana's buildings.

The APPA says, "preventive maintenance should be the guiding philosophy of an effective maintenance organization." We believe

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standardized facilities maintenance policy should be developed to help guide maintenance personnel and provide more consistency in maintaining state-owned facilities. Based on statutory authority, responsibility for development of facilities maintenance policy lies with the Department of Administration. However, department personnel should consult and coordinate with state agency facilities managers to ensure applicability to all facilities and to ease understanding and implementation.

Recommendation #1

We recommend the Department of Administration, in conjunction with state agency facilities managers and maintenance personnel, develop policy that addresses guidelines and minimum standards for maintenance of state-owned facilities.

Do Agencies Formally Evaluate Facility Conditions?

We wanted to determine if state agencies use a formal method of assessing the condition of facilities to identify building deficiencies. According to APPA, a facilities assessment systematically and routinely identifies building and infrastructure deficiencies and functional performance of facilities through inspections. A continuous assessment process provides up-to-date information regarding potential major maintenance priorities, as well as identifying regular maintenance needs.

The Facilities Condition Inventory (FCI)

The Facilities Condition Inventory (FCI) is a methodology adopted by the Board of Regents for the Montana University System for evaluating the condition of buildings, and is based on the APPA model. The evaluation is typically completed using a team approach. The team consists of managers, supervisors, and personnel with varying building or construction-related disciplines. The team completes inspections according to a categorization of building systems and components. Observed deficiencies are prioritized with a rating system. FCI information is then entered into a database system whereby costs associated with correction of noted deficiencies can be calculated and compiled. According to APPA, a building should receive a facilities condition assessment at

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least every three years to properly keep up with changing levels of building obsolescence.

The Montana University System initially provided FCI training to numerous state agency personnel in order to create a standardized deferred maintenance identification process for state-owned buildings. In addition, General Services Division, Department of Administration, provided training to two agencies. We asked agency personnel if the FCI, or any other type of deferred maintenance identification methodology is used. Of the eight agencies in our review, three do not use the FCI, including the Montana Department of Transportation (MDT), the Department of Public Health and Human Services, and the School for the Deaf and Blind. These agencies identify facilities maintenance needs informally through inspections and observations.

Of the five agencies that have used the FCI, the Department of Corrections has only used the FCI on a few buildings. The Department of Fish, Wildlife and Parks (FWP) made minor modifications to the FCI to help meet its needs. Finally, Architecture and Engineering (A&E) Division personnel complete an FCI for the Law Enforcement Academy. Only the Department of Military Affairs and the GSD are meeting the APPA frequency criteria of every three years.

Montana's Deferred Maintenance Backlog

Deferring or postponing maintenance needs increases what is typically called the deferred maintenance backlog. This can ultimately increase costs associated with building maintenance. A listing of the state's deferred maintenance backlog is not maintained. However, as noted above, several agencies compile this type of information. The following lists the estimated costs for deferred maintenance deficiencies of state-owned buildings identified using the FCI methodology.

| | | |
|---|---|--------------|
| < | Department of Military Affairs: | \$16,257,256 |
| < | Department of Fish, Wildlife and Parks: (regional headquarters only) | \$ 1,721,575 |
| < | Capitol Complex (GSD): | \$ 9,501,684 |

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These departments used this FCI information to help develop LRBP requests. However, not all deficiencies identified through the FCI process are included in LRBP requests for funding. For example, FWP limited LRBP requests to approximately \$764,000 of its \$2.86 million deferred maintenance backlog. This decision was based on available funding generated from current license revenues.

Periodic Evaluation of Facilities is Essential

According to APPA, periodic evaluation of the condition of facilities is an essential function of effective facilities management. The facilities evaluation helps provide a consistent presentation of building deficiencies. If maintenance needs are not properly addressed, buildings will deteriorate. This can ultimately lead to unsafe conditions and loss of building use. In addition, programmatic and technological deterioration contribute to facilities obsolescence, regardless of maintenance quality. With limited funding, consistent data leads to better priority setting in terms of maintenance decisions.

All agencies submit requests to the A&E Division for consideration of funding through the LRBP. Based on input from A&E Division personnel and other agency personnel, on-site verification of maintenance needs is not completed for all project requests. Thus, A&E Division personnel must review requests and finalize recommendations based on agency input. Inconsistencies in methods used to identify maintenance needs can create inequities in establishing funding priorities.

While some agencies are using the FCI, others are not. Two of the three agencies not using the FCI do not follow a formal methodology. The third agency, MDT, is developing its own methodology because it believes the Montana University System FCI approach does not meet its needs. The main reason for this is differences in the types of facilities, for example, classrooms versus equipment shops. According to Corrections personnel, the FCI is not fully utilized due to lack of time and manpower. FWP modified the FCI to meet specific needs, with modifications related to the prioritized rating system.

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Conclusion: Use of a Standardized Facilities Condition Assessment Process is Needed

While maintenance personnel and facilities managers appear to be aware of the condition of facilities, the process for formally identifying deferred maintenance or building deficiencies varies between facilities and agencies. Not all agencies use a facilities inventory process to assess building conditions. Those who are using an inventory process primarily use it to help develop LRBP requests. However, this data gets minimal use by A&E Division personnel in determining statewide priorities. Similar conclusions were reached in the University Facilities Management audit (00P-03). This report concluded university unit FCIs are not comprehensive because of incomplete information and insufficient documentation. In addition, there is not a fully uniform or coordinated approach to university unit FCI development.

A building evaluation provides governing boards, administrators, building managers, and maintenance personnel information on the condition of facilities and where deficiencies exist. According to the Montana University System FCI user's manual, the first step in looking at Montana's physical assets as a whole is to develop and implement a program that all state agencies can use to audit the condition of their facilities.

Some agencies track their deferred maintenance items via an FCI or other type of system. However, a statewide listing of deferred maintenance liabilities is not maintained, so the actual funding level needed for addressing deficiencies is unknown. Since some agencies submit long-term needs during the LRBP process, requests submitted (but not funded) may not correlate to an actual deferred maintenance backlog. In addition, the LRBP project listings compiled each biennium are not maintained and tracked from a historical or priority-based perspective. As a result, A&E Division personnel establish priorities with data that may not be comprehensive or comparable between agencies.

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Use of a Methodology Not Mandated

Use of a standardized assessment methodology has been suggested but not mandated by the legislature. The Board of Regents adopted the FCI approach for the Montana University System in the early 1990s. Training was provided by the University System to various facilities maintenance personnel; however, implementation of the FCI methodology has not occurred statewide. In addition, the A&E Division has not required facilities condition data as part of the LRBP process.

Also, as noted in the University Facilities Management audit, the Governmental Accounting Standards Board issued Statement 34 establishing new financial reporting requirements for state governments effective July 2002. These requirements include recording the historic cost of buildings as assets. For the first time, depreciation expense is to be included as a direct expense of state government. Consideration of the condition of the building is to be used as part of the calculation of the asset. Additionally, infrastructure such as sidewalks, heating tunnels, and roads is to be recorded and its condition assessed at least every three years, again for the first time. Implementing these requirements will require state agencies to have consistent treatment for recording the cost, depreciation, and condition of its buildings and infrastructure.

A&E Division Should Have Primary Responsibility

In order to establish a consistent and routine facilities condition assessment system statewide, we believe primary responsibility should be assigned to a single entity. The A&E Division is the logical choice for this assignment. According to statutory language within the LRBP, the A&E Division is responsible for gathering information and conducting surveys as necessary to provide a factual basis for determining the need for and feasibility of construction of buildings. While the A&E Division would have primary responsibility for a facilities condition assessment program, actual inspections would need to be coordinated with agency managers and facilities maintenance personnel. Our audit scope did not include an analysis of A&E Division workload or FTE requirements for a statewide facilities condition assessment program. However, in order to devote appropriate attention to the program and avoid

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impacting other A&E Division responsibilities, additional FTE will be necessary.

Use of a statewide facilities condition assessment process would help provide the A&E Division and the legislature with building deficiency data that is comprehensive and comparable. As a result, establishment of priorities should be easier and more equitable statewide. Consistent data will make it easier to identify buildings with the greatest needs, which will help allocate limited resources. In addition, LRBP requests submitted during a biennium that are not approved for funding could then be truly considered the state's deferred maintenance backlog.

Recommendation #2

We recommend:

- A. The legislature mandate a standardized, statewide facilities condition assessment process.**
- B. The Department of Administration develop and conduct the program.**

What LRBP Actions Have Occurred Over the Past Decade?

Another of our objectives was to compile information on the LRBP over the past decade to help assess maintenance needs and trends. In general, the LRBP process has not changed in the past decade. Project requests are submitted to the A&E Division prior to each regular legislative session. Individual requests are prioritized on a statewide basis by A&E Division personnel. The Office of Budget and Program Planning (OBPP) then works with the A&E Division to finalize LRBP recommendations to the Governor. Prioritized recommendations and other LRBP materials are compiled and then presented to the legislature.

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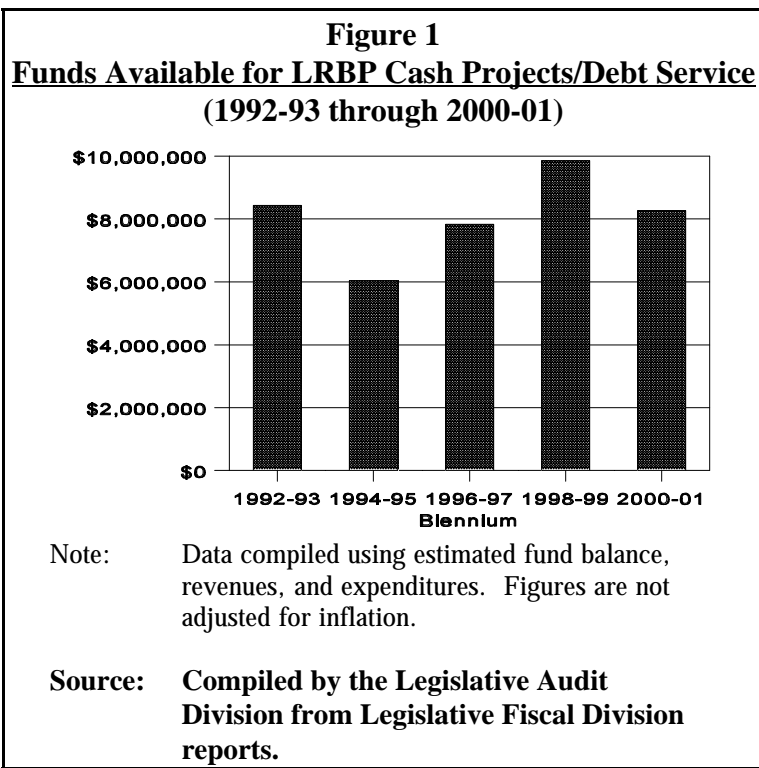
Changes to Funding Sources

Funding for the LRBP is derived from cash and bond revenues. Historically, cash revenues have been used to fund maintenance projects, while bond proceeds are used to fund new construction and major renovation.

Cigarette Tax

The main funding source for the cash portion of the LRBP is revenue generated from a portion of the cigarette tax. Cigarette tax revenues were first used to support the LRBP beginning in 1971. Since that time, the percent of the cigarette tax revenues dedicated to the LRBP has changed numerous times. For example, a 1981 amendment increased the amount deposited in the LRBP for debt service from 15 percent to 73 percent, and decreased the amount in the cash portion from 35 percent to 27 percent. These amounts were then subsequently changed, either increased or decreased, in all but one regular legislative session, and the 1992 Special Session, up to and including the 1997 regular session. In 1997, the legislature diverted the cigarette tax revenue deposited in the LRBP for debt service to the General Fund. This amendment also reduced the amount of the cigarette tax deposited in the LRBP for the cash portion from 20.25 percent to the current amount of 15.85 percent. The following figure provides a summary of funds available for the cash portion of the LRBP and debt service on bonds for the past five biennia.

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As can be seen from the figure above, revenues for the cash portion of the LRBP are not constant. Depending on debt service obligations, revenues available to fund capital projects may decrease. Decreases in LRBP revenues do not impact special revenue-funded agencies such as FWP and MDT because these agencies use a different funding source for maintenance.

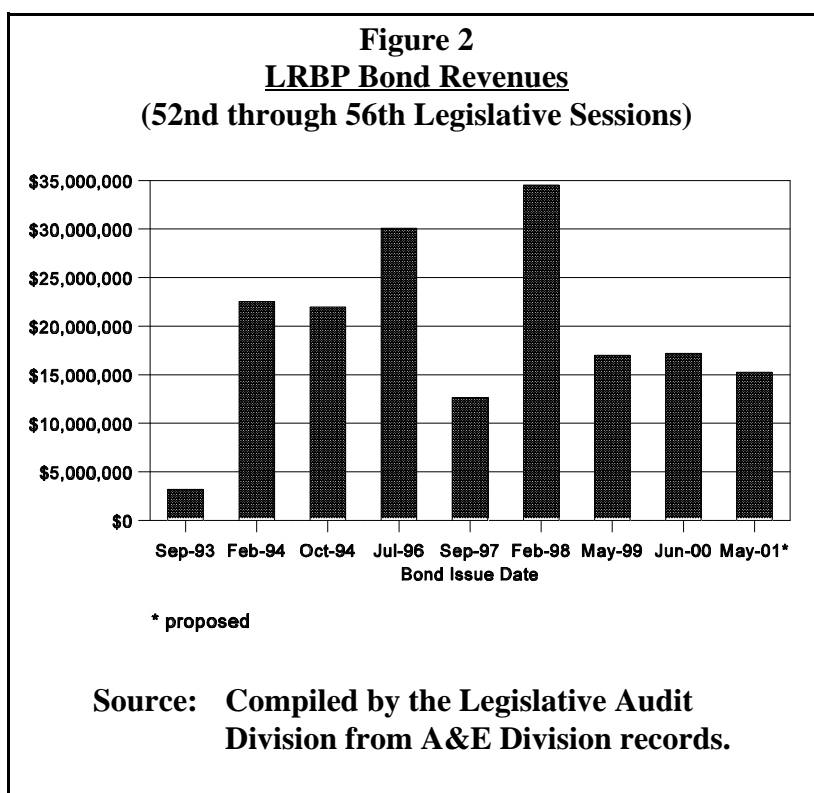
Coal Tax

In addition to the above changes, the legislature added another revenue source to the LRBP in 1995. A portion of the coal severance tax (12%) was diverted from the Highway Reconstruction Trust Fund to the LRBP. The intent of the enabling legislation was for coal tax revenues to be used to service bond debt for new capital projects. Revenues available after satisfying debt service obligations can be used to fund other LRBP projects.

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General Obligation Bonds

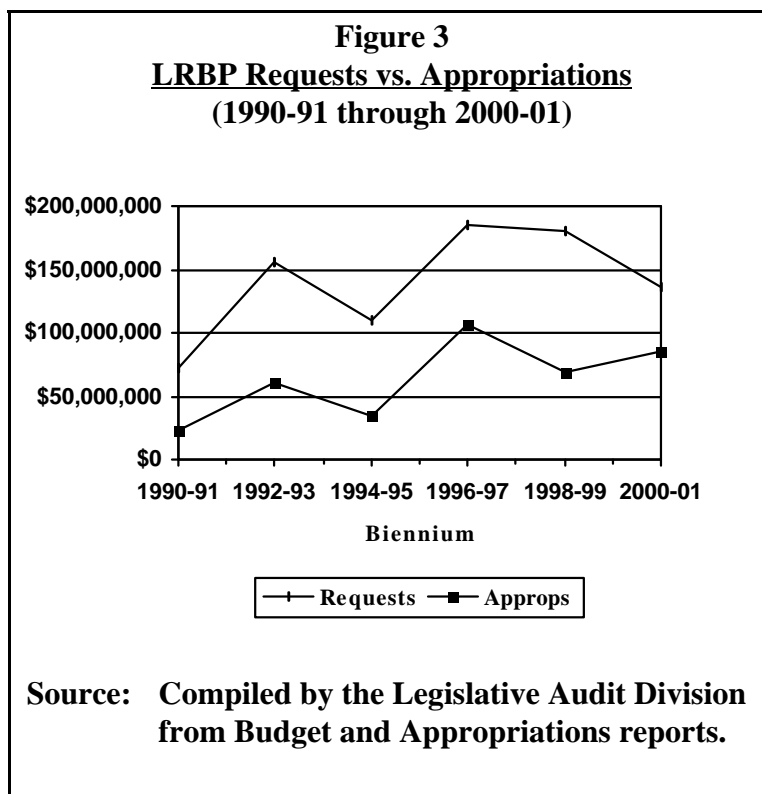
The bond portion of the LRBP is funded with revenues derived from issuance of general obligation (GO) bonds. The debt service on GO bond issues is typically funded from the General Fund. However, as mentioned above, a portion of coal tax revenues are dedicated to debt service obligations from previous bond issues. The following figure provides a summary of LRBP bond revenues authorized over the past five legislative sessions.



Requests and Appropriations for State-Owned Facilities

The dollar amount of project requests for LRBP funding exceeds the amount of available funding. For example, the 1999 Legislature appropriated over \$85 million for capital improvements, which was 63 percent of the total LRBP requests made by state agencies, excluding the Montana University System. The following figure provides a summary of requests and appropriations for the past decade.

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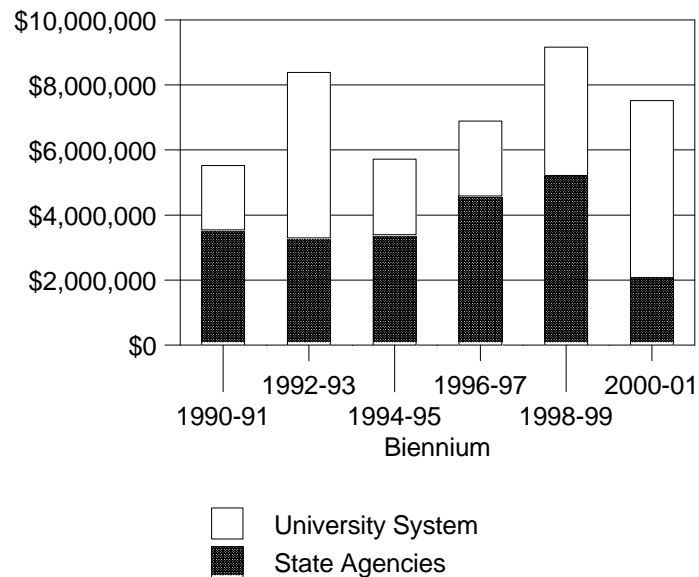
Appendix A provides an overall summary of LRBP requests and appropriations by agency/facility for the past decade.

The Cash Portion of the LRBP

Figure 3 above provides total dollar amounts requested and appropriated over the past 10 years. This includes LRBP cash, bonds, state and federal special revenue, and other revenue. A&E Division personnel estimate approximately \$4.3 million will be available to agencies for the 2002-03 biennium from the cash portion of the LRBP. The cash portion of the LRBP is typically used to fund maintenance projects as opposed to new construction and major renovation. The following figure provides total appropriations from just the cash portion of the LRBP.

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Figure 4
LRBP Appropriations (cash portion)
(1990-91 through 2000-01)



Source: Compiled by the Legislative Audit Division from Appropriations reports.

Agency Use of the LRBP Varies

The A&E Division generally does not consider project requests of less than \$25,000 for LRBP funding. However, there are differences between agencies on the dollar amount used to determine if a project will be funded under the operations budget or through the LRBP. Based on input from agency personnel, some agencies only submit requests for projects needed in the biennium, while other agencies submit requests for future projects beyond the upcoming biennia. Future project requests are made to inform the legislature of future needs/plans.

Requests for funding are often repeated during the next biennium. In reviewing LRBP requests for the past 10 years, we noted numerous project requests that were not funded were requested

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again in subsequent years. After a few years, some projects were funded while other projects were not requested again. In most cases, the dollar amount requested increased from the previous request. This may be related to changes in project specifications and/or inflation.

Various types of project requests were made by agencies including both maintenance and new construction. The following lists some of the maintenance requests noted in the LRBP books. Appendix A shows total dollar amounts of agency requests.

- < Roof repair/replacement
- < Floor repair/replacement
- < Window replacement
- < Gas line replacement
- < HVAC replacement/maintenance
- < Update Fire sprinkler systems
- < Painting
- < Road/parking lot maintenance
- < Sidewalk repair
- < Asbestos abatement
- < Underground storage tank removal

Conclusion: Requests for Funding Have Always Exceeded Appropriations

The LRBP has not changed significantly in terms of process since its creation in 1963. Maintenance needs are usually addressed with funding from the cash portion of the LRBP. The cigarette tax revenue stream is declining, including decreases in the percentage allocated to the LRBP. Declining cigarette tax revenues do not impact agencies with dedicated revenue sources, such as FWP and MDT. Coal severance tax revenues were used to supplant the cigarette tax reduction, but the intent was to use these funds to pay debt service on bonds.

In the past decade, requests for funding have always exceeded appropriations. Agency use of the LRBP varies including the types of requests made for capital improvements. Appropriations from the cash portion of the program fluctuate from biennium to biennium.

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Facilities Maintenance Suffers Due to Various Factors

A recent United States General Accounting Office report (GAO/GGD-00-98) on the federal government's facilities maintenance program noted funding limitations, inadequate program data, and lack of a strategic approach as factors that impede the government's ability to address its maintenance needs. These same factors appear to impact Montana's maintenance of state-owned buildings.

Funding Maintenance and Capital Improvements

Montana has hundreds of state-owned buildings, excluding the University System, with almost 7 million square feet of space valued at approximately \$335 million. If you add in the Montana University System there is almost 19 million square feet valued at over \$838 million. Buildings and components deteriorate and need repair and replacement; this is unavoidable. As a result, money is needed to maintain state-owned facilities. According to APPA, approximately 86 percent of the costs of a building with an expected life of 40 years is in operations and maintenance, which includes utilities, janitorial services, and other operational costs, as well as normal upkeep and repair projects. The other 14 percent is in the building's design and construction. For example, if a new building costs \$3 million to design and build, you can expect to spend about \$21,428,571 to operate and maintain the building over 40 years.

According to the Building Research Board of the National Research Council, an appropriate total budget allocation for routine maintenance and capital renewal (repair and replacement) should be 2 to 4 percent of a facility's replacement value. Using the value of buildings noted above (excluding the University System), this methodology would require a funding range of approximately \$7 million to \$13 million. This type of funding estimate is not used by state agencies or the legislature when establishing facilities maintenance budgets. Funding is based on historical levels and available funds. According to the Legislative Fiscal Report, 2001 Biennium, the cash portion of the LRBP does not represent the largest portion of funding for capital projects. However, cash revenues allocated to this fund represent the only **specific** commitment of state funds for repair and replacement-type projects.

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The Building Research Board believes because building deterioration occurs over a long period of time, there is often a perception maintenance can be delayed for another year or two without significant damage. They go on to say, “continuously delaying maintenance and repairs to facilities can result in major disruptions in service and business, and costly and serious health and safety consequences.”

Possible Deferred Maintenance Reduction Strategies

The University Facilities Management performance audit addressed the issue of funding for deferred maintenance. Deferred maintenance is work that has a lower priority and is deferred to a future budget cycle or postponed until funds are available. That report recommends the legislature consider options for increasing the emphasis on building maintenance and reducing deferred maintenance liabilities. Possible options included:

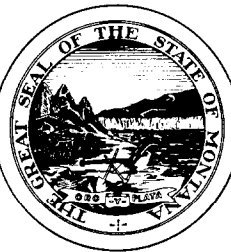
- < Increasing funding for the cash portion of the LRBP.
- < Utilizing the bonding program to reduce or prevent an increase in the deferred maintenance liabilities of state buildings.

Conclusion: State Agencies Experience Issues Similar to the University System

The University Facilities Management audit report specifically recommends the legislature examine the LRBP and establish an increased and consistent funding source to address deferred maintenance liabilities. Changes to the LRBP would impact all state agencies, not just the Montana University System. State agencies experience issues similar to those identified in the University System audit. Thus, if the legislature implements the suggestions noted above, any changes in LRBP funding sources or uses will help control deferred maintenance liabilities for all state-owned buildings.

Agency Response

DEPARTMENT OF ADMINISTRATION
DIRECTOR'S OFFICE



MARC RACICOT, GOVERNOR

MITCHELL BUILDING

STATE OF MONTANA

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PO BOX 200101
HELENA, MONTANA 59620-0101

November 3, 2000

Scott A. Seacat
Legislative Audit Division
PO Box 201705
Helena, MT 59620-1705

NOV 6 2000

Dear Mr. Seacat:

We have reviewed the recommendation pertaining to the performance audit of Facilities Management of State-Owned Buildings. Our responses follow:

Recommendation #1. We recommend the Department of Administration, in conjunction with agency facilities managers and maintenance personnel, develop policy that addresses guidelines and minimum standards for maintenance of state-owned facilities.

Response: We concur. The Department is prepared to facilitate an effort by state agencies to prepare standard guidelines for building maintenance and to make those standards available to all agencies with facility maintenance responsibilities.

Recommendation #2. We recommend:

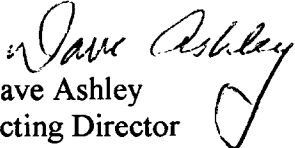
- A. The legislature mandate a standardized, statewide facilities condition assessment process.
- B. The Department of Administration develop and conduct the program.

Response: We concur. We believe that a facilities condition assessment can better describe and more equitably define maintenance needs for facilities. The benefit of a facility condition assessment is dependent upon funding the identified deficiencies in a timely manner.

The Department will prepare information regarding staffing, budget, and program options in time for consideration by the 57th Legislature.

We appreciate the opportunity to work with you and your staff in advancing this proposal.

Sincerely,


Dave Ashley
Acting Director

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Appendix A

LRBP Requests and Appropriations by Agency/Facility
(excludes University System)

| Agency/Facility | 1990-91 Biennium | | | | | | | | | |
|---------------------------|-------------------|-------------------|--------------------|-----------------------|-------------------|-------------------------|------------------|----------------|----------------|-------------------|
| | LRBP | | | State Special Revenue | | Federal Special Revenue | | Other Funds | | Total Approps |
| | Requests | Approps (cash) | Approps (bonds) | Requests | Approps | Requests | Approps | Requests | Approps | |
| DOT | | | | 1,581,220 | 1,581,220 | | | | | 1,581,220 |
| DOC | 88,000 | | | | | | | | | 0 |
| Military Affairs | 1,759,328 | 542,800 | | | | 8,229,370 | 2,907,597 | | | 3,450,397 |
| DFS/DPHHS | 3,721,382 | 155,000 | | | | | | | | 155,000 |
| FWP | 52,100 | 150,000 | 3,542,800 | 9,645,000 | 8,496,635 | 4,962,367 | 2,000,270 | 466,560 | | 14,189,705 |
| DofA | 15,794,376 | 650,000 | | | | | | | | 650,000 |
| Livestock | | | | | | | | | | 0 |
| Labor | 11,000 | | | 76,000 | 26,000 | 474,600 | 474,600 | | | 500,600 |
| State Lands | 900,650 | 34,200 | | 147,000 | 147,000 | 30,000 | 54,800 | 54,800 | | 236,000 |
| Agriculture | | | | 45,500 | 45,500 | | | | | 45,500 |
| Historical Society | 913,056 | | | | | | | | | 0 |
| School for Deaf & Blind | 1,009,970 | 10,000 | | | | | | | | 10,000 |
| DNRC | | | | | 116,950 | 116,950 | | | | 116,950 |
| Revenue | | | | | | | | 170,000 | 170,000 | 170,000 |
| Commerce | | | | | | | | | | 0 |
| Justice | | | | | | | | | | 0 |
| OPI | | | | | | | | | | 0 |
| Center for the Aged | 1,263,576 | 45,396 | | | | | | | | 45,396 |
| MDC | 5,691,842 | 522,100 | | | | | | | | 522,100 |
| Mt Vets Home | 302,833 | | | | | | | | | 0 |
| Eastern Montana Vets Home | | | | | | | | | | 0 |
| WCC/MWP | 6,015 | 45,000 | | | | | | | | 45,000 |
| SRFC | 292,000 | | | | | | | | | 0 |
| MSP | 7,488,770 | 1,184,600 | | 335,000 | | | | | 445,000 | 1,629,600 |
| MSH | 5,566,509 | 200,300 | | | | | | | | 200,300 |
| Eastmont | 605,735 | | | | | | | | | 0 |
| TOTALS | 45,467,142 | 3,539,396 | 3,542,800 | 11,829,720 | 10,413,305 | 13,813,287 | 5,437,267 | 691,360 | 615,000 | 23,547,768 |

Total Requested 71,801,509

* HB 202: cigarette tax increase for new vets home (\$30,000 study, \$1,991,897 state share, \$3,699,237 fed auth) **not included above**

* HB 547: authorizes establishment of State Vets Nursing Home in eastern Montana (HB 202 approps can be used)

* HB 750: creates state Building Energy Conservation Program (\$3 million bond authority with \$1,904,934 authorized for 4 conservation projects)

Note: bonds may be retired with various funding sources.

Source: Compiled by the Legislative Audit Division from Budget and Appropriations reports.

LRBP Requests and Appropriations by Agency/Facility
(excludes University System)

| Agency/Facility | 1992-93 Biennium | | | | | | | | | |
|---------------------------|--------------------|-------------------|--------------------|-----------------------|-------------------|-------------------------|-------------------|------------------|------------------|-------------------|
| | LRBP | | | State Special Revenue | | Federal Special Revenue | | Other Funds | | Total Approps |
| | Requests | Approps (cash) | Approps (bonds) | Requests | Approps | Requests | Approps | Requests | Approps | |
| DOT | | | | 1,727,025 | 1,861,100 | | 115,925 | | | 1,977,025 |
| DOC | 20,238,245 | 0 | | | | | | | | 0 |
| Military Affairs | 3,482,600 | 171,000 | 400,000 | | | 22,378,500 | 18,312,000 | | | 18,883,000 |
| DFS/DPHHS | 5,116,638 | 154,600 | | | | | | | | 154,600 |
| FWP | | | | 11,601,356 | 11,559,356 | 2,296,000 | 2,296,000 | 0 | | 13,855,356 |
| DofA | 24,036,550 | 939,625 | | | 500,000 | | 1,000,000 | | 720,000 | 3,159,625 |
| Livestock | | | | | | | | | | 0 |
| Labor | | | | | | 310,000 | 519,450 | | | 519,450 |
| State Lands | 972,120 | 118,280 | | 226,900 | 191,900 | 429,500 | 100,000 | | | 410,180 |
| Agriculture | | | | | | | | | | 0 |
| Historical Society | 1,010,556 | | | | | | | | | 0 |
| School for Deaf & Blind | 1,912,990 | 339,000 | | | | | | | | 339,000 |
| DNRC | | | | | | | | | | 0 |
| Revenue | | | | | | | | | | 0 |
| Commerce | | | | | | 465,957 | 465,957 | 51,773 | 51,773 | 517,730 |
| Justice | 17,558,119 | | | | | | | | | 0 |
| OPI | 2,017,500 | | | | | | | 4,000,000 | | 0 |
| Center for the Aged | 1,208,245 | 105,015 | | | | | | | | 105,015 |
| MDC | 794,452 | 116,708 | | | | | | | | 116,708 |
| Mt Vets Home | 201,000 | | | | | | | | | 0 |
| Eastern Montana Vets Home | | | | | | | | | | 0 |
| WCC/MWP | 11,974,290 | | 10,075,600 | | | | | | | 10,075,600 |
| SRFC | 375,000 | | | | | | | | | 0 |
| MSP | 18,942,548 | 932,500 | 19,360,745 | | | | 14,000 | 368,976 | 321,976 | 20,629,221 |
| MSH | 5,665,420 | 320,175 | | | | | | | | 320,175 |
| Eastmont | 203,343 | 98,450 | | | | | | | | 98,450 |
| TOTALS | 115,709,616 | 3,295,353 | 29,836,345 | 13,555,281 | 14,112,356 | 25,879,957 | 22,823,332 | 4,420,749 | 1,093,749 | 71,161,135 |

Total Requested 159,565,603

* January 1992 Special Session reduced 1991 regular session capital project appropriations by \$702,514

* HB 20: \$20,000 appropriation from capital projects fund for Military Affairs (MT's contribution to national monument) **not included above**

* HB 963: \$8,665,000 approp to DofA for new construction at Montana Developmental Center (Health Facilities Authority loan from bond proceeds)

* HB 1008: \$886,000 approp to FWP for parks maintenance projects (diverts coal tax revenue dedicated to FWP)

Note: bonds may be retired with various funding sources.

Source: Compiled by the Legislative Audit Division from Budget and Appropriations reports.

LRBP Requests and Appropriations by Agency/Facility
(excludes University System)

| Agency/Facility | 1994-95 Biennium | | | | | | | | | |
|---------------------------|-------------------|-------------------|--------------------|-----------------------|-------------------|-------------------------|------------------|----------------|------------------|-------------------|
| | LRBP | | | State Special Revenue | | Federal Special Revenue | | Other Funds | | Total Approps |
| | Requests | Approps (cash) | Approps (bonds) | Requests | Approps | Requests | Approps | Requests | Approps | |
| DOT | | | | 2,000,000 | 2,057,943 | | 174,773 | | | 2,232,716 |
| DOC | | | | | | | | | | 0 |
| Military Affairs | 3,601,300 | 185,000 | | 60,000 | 75,000 | 3,690,000 | 555,745 | | | 815,745 |
| DFS/DPHHS | 4,266,600 | 920,500 | | | | | | | | 920,500 |
| FWP | | | | 14,599,715 | 14,765,965 | 3,531,785 | 4,330,535 | | 200,000 | 19,296,500 |
| DofA | 55,284,355 | 1,485,000 | 1,700,000 | | | | 800,000 | 300,000 | 1,000,000 | 4,985,000 |
| Livestock | | | | 1,198,000 | 1,198,000 | | | | | 1,198,000 |
| Labor | | | 1,500,000 | | | 620,150 | 323,400 | | | 1,823,400 |
| State Lands | 1,781,000 | 50,000 | | | | | | | | 50,000 |
| Agriculture | | | | | | | | | | 0 |
| Historical Society | | | | | | | | | | 0 |
| School for Deaf & Blind | 430,520 | 107,192 | | | | | | | | 107,192 |
| DNRC | | | | | | | | | | 0 |
| Revenue | | | | | | | | | | 0 |
| Commerce | | | | | | | | | | 0 |
| Justice | | | | | | | | | | 0 |
| OPI | | | | | | | | | | 0 |
| Center for the Aged | 890,854 | 495,180 | | | | | | | | 495,180 |
| MDC | 373,500 | | | | | | | | | 0 |
| Mt Vets Home | 279,973 | | | | | | | | | 0 |
| Eastern Montana Vets Home | | | | | | | | | | 0 |
| WCC/MWP | | | 260,000 | | | | | | | 260,000 |
| SRFC | 642,000 | | | | | | | | | 0 |
| MSP | 8,574,150 | | | 75,000 | | | | | 605,212 | 605,212 |
| MSH | 6,736,694 | 150,000 | 1,000,000 | | | | | | | 1,150,000 |
| Eastmont | 197,278 | | | | | | | | | 0 |
| TOTALS | 83,058,224 | 3,392,872 | 4,460,000 | 17,932,715 | 18,096,908 | 7,841,935 | 6,184,453 | 300,000 | 1,805,212 | 33,939,445 |

Total Requested 109,132,874

* Eastern Montana Vets Home operations contracted out - **\$325,000 approp (cigarette tax) for start up costs not included above**

* \$2.6 million appropriated from General Fund to cover 1993 diversion of capital projects funds for veterans' homes

* MSP \$19.4 million bond appropriation from 1992-93 biennium reduced to \$6.7 million

Note: bonds may be retired with various funding sources.

Source: Compiled by the Legislative Audit Division from Budget and Appropriations reports.

LRBP Requests and Appropriations by Agency/Facility
(excludes University System)

| Agency/Facility | 1996-97 Biennium | | | | | | | | | |
|---------------------------|-------------------|-------------------|--------------------|-----------------------|-------------------|-------------------------|-------------------|-------------------|------------------|--------------------|
| | LRBP | | | State Special Revenue | | Federal Special Revenue | | Other Funds | | Total Approps |
| | Requests | Approps (cash) | Approps (bonds) | Requests | Approps | Requests | Approps | Requests | Approps | |
| DOT | | | | 3,350,000 | 3,350,000 | | | | | 3,350,000 |
| DOC | 9,000,000 | | | | | 4,000,000 | | | | 0 |
| Military Affairs | 1,410,000 | 365,500 | | 75,000 | 75,000 | 11,412,500 | 14,884,800 | | | 15,325,300 |
| DFS/DPHHS | 541,000 | 840,000 | | | | | | | | 840,000 |
| FWP | | | | 17,023,240 | 17,767,240 | 2,745,000 | 2,745,000 | | | 20,512,240 |
| DofA | 22,438,705 | 1,554,400 | 12,559,240 | | | 300,000 | 696,000 | 15,959,000 | 6,174,640 | 20,984,280 |
| Livestock | | | | | | | | | | 0 |
| Labor | | | 350,000 | | | 516,710 | 266,550 | | | 616,550 |
| State Lands | 727,650 | 636,400 | | | | | | | | 636,400 |
| Agriculture | | | | | | | | | | 0 |
| Historical Society | | | | | | | | | | 0 |
| School for Deaf & Blind | 408,734 | 120,000 | | | | | | | | 120,000 |
| DNRC | | | | 5,191,000 | 4,576,000 | 30,465,000 | 31,865,000 | 11,001,000 | | 36,441,000 |
| Revenue | | | | | | | | | | 0 |
| Commerce | | | | | | | | | | 0 |
| Justice | 7,000,000 | | | | | | | | | 0 |
| OPI | | | | | | | | | | 0 |
| Center for the Aged | 344,103 | 330,000 | | | | | | | | 330,000 |
| MDC | 1,171,000 | 677,333 | | | | | | | | 677,333 |
| Mt Vets Home | 527,000 | 33,333 | | 117,714 | 215,952 | | | | | 249,285 |
| Eastern Montana Vets Home | | | | | | | | | | 0 |
| WCC/MWP | | | | | | | | | | 0 |
| SRFC | | | | | | | 560,000 | | | 560,000 |
| MSP | 18,052,495 | | 4,300,000 | | | | 1,500,000 | | | 5,800,000 |
| MSH | 20,780,396 | 33,333 | | | | | | | | 33,333 |
| Eastmont | 343,000 | | | | | | | | | 0 |
| TOTALS | 82,744,083 | 4,590,300 | 17,209,240 | 25,756,954 | 25,984,192 | 49,439,210 | 52,517,350 | 26,960,000 | 6,174,640 | 106,475,722 |

Total Requested 184,900,247

* HB 19: allocation of 12% of annual coal tax revenues

* HB 584: \$1.45 million approp (\$950,000 LRBP and \$500,000 loan) for Montana Law Enforcement Academy (relocate to Mountain View School)

* HB 585: \$9 million bond approp for Regional Correctional and Law Enforcement Facilities

* HB 594: \$21 million authorization to construct new State Hospital at Warm Springs (loan from Health Facilities Authority)

Note: bonds may be retired with various funding sources.

Source: Compiled by the Legislative Audit Division from Budget and Appropriations reports.

LRBP Requests and Appropriations by Agency/Facility
(excludes University System)

| Agency/Facility | 1998-99 Biennium | | | | | | | | | |
|---------------------------|--------------------|-------------------|--------------------|-----------------------|-------------------|-------------------------|-------------------|------------------|------------------|-------------------|
| | LRBP | | | State Special Revenue | | Federal Special Revenue | | Other Funds | | Total Approps |
| | Requests | Approps (cash) | Approps (bonds) | Requests | Approps | Requests | Approps | Requests | Approps | |
| DOT | | | | 3,950,000 | 3,325,000 | | | | | 3,325,000 |
| DOC | 29,566,500 | 1,846,580 | 10,806,000 | | | 1,200,000 | 3,251,547 | | | 15,904,127 |
| Military Affairs | 5,355,800 | 544,578 | | 52,500 | 52,500 | 22,864,500 | 4,517,500 | | | 5,114,578 |
| DFS/DPHHS | | | | | | | | | | 0 |
| FWP | | | | 20,944,617 | 20,251,117 | 600,000 | 700,000 | 225,000 | 225,000 | 21,176,117 |
| DofA | 63,765,964 | 1,807,000 | 4,137,602 | 157,000 | | | | 1,000,000 | 1,000,000 | 6,944,602 |
| Livestock | | | | | | | | | | 0 |
| Labor | | | | 78,750 | 23,490 | | 63,510 | | | 87,000 |
| State Lands | | | | | | | | | | 0 |
| Agriculture | 38,821 | 40,000 | | | | | | | | 40,000 |
| Historical Society | | | | | | | | | | 0 |
| School for Deaf & Blind | 529,279 | | | | | | | | | 0 |
| DNRC | 3,467,742 | 375,000 | | | | | | | | 375,000 |
| Revenue | | | | | | | | | | 0 |
| Commerce | | | | | | | | | | 0 |
| Justice | | | | | | | | | | 0 |
| OPI | | | | | | | | | | 0 |
| Center for the Aged | 1,067,270 | | | | | | | | | 0 |
| MDC | 139,000 | | | | | | | | | 0 |
| Mt Vets Home | | | | 406,169 | 406,000 | | | | | 406,000 |
| Eastern Montana Vets Home | | | | | | | | | | 0 |
| WCC/MWP | 2,322,100 | | | | | | | | 350,000 | 350,000 |
| SRFC | | | | | | | | | | 0 |
| MSP | 22,380,048 | 600,000 | 7,490,000 | | | | 6,560,000 | 400,000 | 400,000 | 15,050,000 |
| MSH | | | | | | | | | | 0 |
| Eastmont | 352,000 | | | | | | | | | 0 |
| TOTALS | 128,984,524 | 5,213,158 | 22,433,602 | 25,589,036 | 24,058,107 | 24,664,500 | 15,092,557 | 1,625,000 | 1,975,000 | 68,772,424 |

Total Requested 180,863,060

* \$45,000 approp to Commerce for Fort Peck Interpretive Center (funding from bed tax revenues)

* HB 5 (cash) and HB 14 (bond) included \$19.4 million approp to fund purchase and operation of Virginia City and Nevada City **not included above**

* HB 5 and HB 14 also included \$7.8 million approp for acquisition, renovation, and preservation of the properties **not included above**

* HB 398: authorized DofA to enter into a lease-purchase agreement for OPI office space

* HB 217: amended Title 18 of MCA to help streamline the construction process for smaller projects

* HJR 4: interim study of state property management (building maintenance, disposition of state properties, and co-location of state agencies)

* HB 83: authorization of construction of privately-owned and operated correctional facilities

Note: bonds may be retired with various funding sources.

Source: Compiled by the Legislative Audit Division from Budget and Appropriations reports.

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LRBP Requests and Appropriations by Agency/Facility
(excludes University System)

| Agency/Facility | 2000-01 Biennium | | | | | | | | | |
|---------------------------|-------------------|-------------------|--------------------|-----------------------|-------------------|-------------------------|-------------------|------------------|------------------|-------------------|
| | LRBP | | | State Special Revenue | | Federal Special Revenue | | Other Funds | | Total Approps |
| | Requests | Approps (cash) | Approps (bonds) | Requests | Approps | Requests | Approps | Requests | Approps | |
| DOT | | | | 5,350,000 | 4,450,000 | | | | | 4,450,000 |
| DOC | 2,225,000 | | 2,225,000 | | | 526,497 | | 275,000 | | 2,751,497 |
| Military Affairs | 8,472,000 | | 7,500,000 | 200,000 | | 33,940,000 | 10,900,000 | | | 18,400,000 |
| DFS/DPHHS | | | | | | | | | | 0 |
| FWP | | | | 14,922,650 | 15,047,650 | 825,000 | 15,735,000 | 225,000 | 225,000 | 31,007,650 |
| DofA | 37,011,684 | 1,651,000 | 3,898,750 | | 1,050,000 | | 100,000 | | 1,300,000 | 7,999,750 |
| Livestock | | | | | | | | | | 0 |
| Labor | | | 210,000 | | | 208,429 | | | | 210,000 |
| State Lands | | | | | | | | | | 0 |
| Agriculture | 28,500 | | | | | | | | | 0 |
| Historical Society | | | | | | | | | | 0 |
| School for Deaf & Blind | 865,227 | | | | | | | | | 0 |
| DNRC | 495,400 | 125,000 | | | | | | | | 125,000 |
| Revenue | | | | | | | | | | 0 |
| Commerce | | | | | | | | | | 0 |
| Justice | 593,000 | | | | | | | | | 0 |
| OPI | | | | | | | | | | 0 |
| Center for the Aged | 1,170,000 | 300,000 | | | | | | | | 300,000 |
| MDC | 383,700 | | | | | | | | | 0 |
| Mt Vets Home | | | | 1,510,586 | 1,366,904 | | | | | 1,366,904 |
| Eastern Montana Vets Home | | | | 290,250 | 290,250 | | | | | 290,250 |
| WCC/MWP | 6,471,873 | | 2,900,000 | | | 6,475,000 | | 2,900,000 | | 9,375,000 |
| SRFC | | | | | | | | | | 0 |
| MSP | 9,650,000 | | 3,000,000 | | | 5,500,000 | | 5,500,000 | | 8,500,000 |
| MSH | 2,180,090 | | | | | | | | | 0 |
| Eastmont | 489,000 | | | | | | | | | 0 |
| TOTALS | 70,035,474 | 2,076,000 | 19,733,750 | 22,273,486 | 22,204,804 | 34,973,429 | 39,236,497 | 8,900,000 | 1,525,000 | 84,776,051 |

Total Requested 136,182,389

* \$170,000 General Fund appropriation for DOC (reception unit) **not included above**

* HB 20: established a multi-species fish hatchery near Fort Peck with \$14.6 million federal revenue approp in HB 5 (not requested in executive)

Note: bonds may be retired with various funding sources.

Source: Compiled by the Legislative Audit Division from Budget and Appropriations reports.